

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Consumer Services Division
Utility Enforcement Branch**

**RESOLUTION CSD-8
August 2, 2001**

R E S O L U T I O N

RESOLUTION CSD-8. ORDER PROHIBITING CALIFORNIA BILLING TELEPHONE COMPANIES WHICH PROVIDE BILLING AND COLLECTION SERVICES TO THIRD PARTIES, INCLUDING AFFILIATES, FROM PROVIDING ANY SUCH SERVICES, DIRECTLY OR INDIRECTLY TO: CORAL COMMUNICATIONS, INC., ACCUTEL COMMUNICATIONS, INC. (U-5865-C), TELEPHONE BILLING SERVICES, INC., AND EASY ACCESS, INC.

SUMMARY

This resolution prohibits California telephone companies which provide billing and collection services to third parties, including affiliates, from providing any such services, directly or indirectly to: Coral Communications, Inc., Accutel Communications, Inc. (U-5865-C), Telephone Billing Services, Inc., and Easy Access, Inc.

BACKGROUND

On April 19, 2001, the California Public Utilities Commission (Commission) issued Decision (D.) 01-04-035 in the Investigation of Coral Communications, Inc., *et al.* Ordering Paragraph 6 of this decision ordered Coral Communications, Inc., International Telemedia Associates (U-5723-C), Call Card Plus, Inc., Accutel Communications (U-5865-C), OAN Services, Inc., Telephone Billing Services, Inc., and Easy Access, Inc., to meet, confer, and cooperatively develop an efficient and orderly plan for promptly returning all funds identified in Ordering Paragraphs 1 and 5 to California consumers. The Commission ordered the Consumer Services Division (CSD) to convene such a meeting no later than 30 days after the effective date of the decision. Ordering paragraph 6 further ordered CSD to promptly prepare a resolution suspending any absent entity's authority to bill through California local exchange carriers.

DISCUSSION

On May 3, 2001, Investigator Steve Allen of the Consumer Services Division mailed certified letters to all of the entities identified in Ordering Paragraph 6 of D.01-04-035 (hereinafter referred to as "required attendees"). The letters specified the necessity of the meeting and informed the required attendees that the meeting was to take place on May 17, 2001, at the

Commission's headquarters in San Francisco. Investigator Allen mailed the letter to the names and addresses of the required attendees that were on the service list in I.98-08-004. In addition, Investigator Allen located additional addresses or principals representing the required attendees using various Secretary of State, Department of Corporations' web sites. Investigator Allen sent two letters to each required attendee, one to the company address and one to the attorney or agent for service of process for the company. A complete accounting of this notification, and the responses of these notifications, is contained in CSD's compliance filing dated June 4, 2001.

CSD convened the required meeting on May 17, 2001 at 10:00AM, at the Commission's headquarters at 505 Van Ness Avenue, in San Francisco, conference room number 2009. In attendance were Martin Mattes, Attorney for OAN Services, Inc. and James Hudson, President of Call Card Plus, Inc., (via telephone) Coral Communications, Inc., Easy Access, Inc., International Telemedia Associates (U-5723-C), Accutel Communications, Inc. (U-5865-C), and Telephone Billing Services, Inc., did not attend the meeting. None of these entities informed CSD that they wanted to attend or that they had any conflict with the meeting date or time that required their absence.

Public Utilities Code § 2889.9 authorizes the Commission to order California billing telephone companies¹ to cease providing billing service to entities that do not cooperate with the Commission in its enforcement of this and other code sections. By their evident failure to attend the required meeting, Coral Communications, Inc., Easy Access, Inc., International Telemedia Associates (U-5723-C), Accutel Communications, Inc. (U-5865-C), and Telephone Billing Services, Inc., are in direct violation of a Commission order and have not cooperated with the Commission. Safeguarding the rights of consumers requires that California billing telephone companies be prohibited from providing billing services to Coral Communications, Inc., Easy Access, Inc., International Telemedia Associates (U-5723-C), Accutel Communications, Inc. (U-5865-C), and Telephone Billing Services, Inc.

Previously, in Decision 99-10-048, the Commission issued an order prohibiting all California telephone companies which provide billing and collections services to third parties, including affiliates, from providing any such services, directly or indirectly, to Calling Card Plus, Inc. and International Telemedia Associates. Because California billing telephone companies are already prohibited from providing billing and collection services to International Telemedia Association this Resolution need not again issue such an order.

FINDINGS

1. On April 19, 2001, the Commission, in Decision 01-04-035, Ordering Paragraph 6, ordered Coral Communications, Inc., International Telemedia Associates (U-5723-C), Call Card Plus, Inc., Accutel Communications (U-5865-C), OAN Services, Inc., Telephone Billing Services, Inc., and Easy Access, Inc. to meet and confer in order to develop a plan to return

¹ A billing telephone company is one that provides billing services to third parties, including affiliates. See Pub. Util. Code § 2889.9.

funds subject to the Ordering Paragraphs 1 and 5 to the California customers from whom the funds were obtained. CSD was ordered to convene such a meeting no later than 30 days after the effective date of the decision.

2. CSD convened the ordered meeting on May 17, 2001 at 10:00AM, at the Commission's headquarters at 505 Van Ness Avenue, in San Francisco, conference room number 2009
3. Representatives from OAN Services, Inc. and Call Card Plus, Inc attended the May 17, 2001 meeting.
4. Coral Communications, Inc., Easy Access, Inc., International Telemedia Associates (U-5723-C), Accutel Communications, Inc. (U-5865-C), and Telephone Billing Services, Inc., did not attend the May 17, 2001 meeting and did not inform CSD that they wanted to attend or that they had any conflict with the meeting date or time that required their absence.
5. On June 4, 2001 the Commission's Consumer Services Division filed a compliance filing which stated that Coral Communications, Inc., International Telemedia Associates (U-5723-C), Accutel Communications, Inc. (U-5865-C), Telephone Billing Services, Inc., and Easy Access, Inc. failed to attend the meeting.
6. All California telephone companies that provide billing and collections services to third parties were prohibited from providing any such services to International Telemedia Associates (U-5723-C), pursuant to Decision 99-10-048 dated October 21, 1999. Therefore, International Telemedia Associates' ability to bill through California billing telephone companies has already been suspended.

Conclusion of Law

1. Public Utilities Code § 2889.9(c) states that if the Commission finds that a person, corporation, or billing agent is operating in violation of any provision of Public Utilities Code §§ 2889.9 or 2890, the Commission may order the billing telephone companies to terminate the billing and collection services for that person, corporation or billing agent.
2. Public Utilities Code § 2889.9(g) requires persons or corporations originating charges for products or service, their billing agents, and telephone corporations billing for these products or services to cooperate with the Commission in its efforts to enforce this and other code sections.
3. Coral Communications, Inc.'s, Accutel Communications, Inc.'s (U-5865-C), Telephone Billing Services, Inc.'s, and Easy Access, Inc.'s failure to appear at the May 17, 2001 meeting, as ordered by the Commission, violates Public Utilities Code § 2889.9(g) and is grounds under Public Utilities Code § 2889.9(c) to order the billing telephone companies to terminate billing and collection services to these entities.

THEREFORE, IT IS ORDERED that:

1. All California telephone companies which provide billing and collection services to third parties, including affiliates, are prohibited from providing any such services, directly or indirectly to: Coral Communications, Inc., Accutel Communications, Inc. (U-5865-C), Telephone Billing Services, Inc., and Easy Access, Inc.
2. This resolution shall be served on all incumbent local exchange carriers, all competitive local carriers, and all interexchange carriers.

This Resolution is effective today.

I hereby certify that the Public Utilities Commission at its regular meeting on MM/DD/YY adopted this Resolution. The following Commissioners approved it:

WESLEY M. FRANKLIN
Executive Director